FACTS ON FILE
WORLD NEWS DIGEST WITH INDEX
Reg. U.S. Pat. Off. Published weekly
Vol. XVII, No. 887 October 24-30, 1957

PROPERTY OF THE LIBRARY OF THE
NORTH CAROLINA

Week in Headlines

International

Eisenhower, Macmillan met in Washington on military, scientific problems of Western allies; U.S. restored cuts in budget for military research & development.

Zhukov replaced without explanation as Soviet Defense Min.

Moves for Turk-Syrian frontier probe made in UN.

Junta installed provisional regime in Guatemala.

United States

AFL-CIO suspended Teamsters.

Senate probers held hearings on charges of anti-union practices by companies.

Rogers named Atty. Gen. as Brownell resigned.

Abel convicted of espionage.

Stock market slumped, rallied.

Racketeer Albert Anastasia slain in New York.

Died: Louis B. Mayer.

WORLD AFFAIRS

WESTERN DEFENSE

Anglo-U.S. Conference

'Ike,' Macmillan Meet. Pres. Eisenhower & British Prime Min. Harold Macmillan met Oct. 23-25 in Washington to discuss pooling Western resources to meet the military, scientific & psychological challenge of the USSR's launching of the first man-made earth satellite. [See pp. 338A2-339B3, 330D2-332C1, 321B1-322D2]

Meeting immediately after a U.S. visit by Queen Elizabeth II & Prince Philip of Britain [see p. 340B1-2], Mr. Eisenhower and Macmillan disclosed Oct. 24 their agreement to form Anglo-U.S. committees to study joint policies on defense, nuclear energy & missile development. A statement issued Oct. 24 said:

- A committee headed by Lewis L. Strauss, U.S. Atomic Energy Comm. chrmn., and Sir Edwin Plowden, British Atomic Energy Authority chrmn., would make "recommendations in the field of nuclear relationship & cooperation."
- A 2d group headed by Donald A. Quarles, U.S. Dep. Defense Secy., and Sir Richard Powell, British Defense Ministry Permanent Secy., would "make recommendations in the field of military defense, particularly . . . missiles & rocketry."

NATO Summit Talks Asked. The President & Macmillan, whose talks were attended in part by U.S. State Secy. John Foster Dulles & British Forgn. Secy. Selwyn Lloyd,* were joined Oct. 25 by NATO Secy. Gen. Paul-Henri Spaak of Belgium [see p. 162E1]. Spaak reportedly relayed NATO proposals for placing Western defense problems before a heads-of-Govt. conference of all Atlantic powers in conjunction with NATO Council meetings scheduled for December in Paris. [See p. 147A1-B2]

(Spaak told the Natl. Press Club in Washington Oct. 25 that there were "obvious & wasteful structural defects in the military defense system of the West. Enormous savings could be achieved by standardizing military equipment . . . international distribution of defense orders & . . . coordination of scientific research," he said.)

Anglo-U.S. Declaration. Mr. Eisenhower & Macmillan, who had met Mar. 21-24 in Bermuda to reshape the Anglo-U.S. alliance & reach agreement on a joint missile program [see p. 93B1-F3], ended their Washington talks Oct. 25 with a "declaration of common purpose." Issued before Macmillan left Oct. 25 for talks in Ottawa with Canadian Prime Min. John Diefenbaker, it called for the utilization of "the moral, intellectual & material strength of our 2 nations." The declaration stated:

(1) The "concept of national self-sufficiency is now out of date." Free world nations "are interdependent, and only in genuine partnership, by combining their resources & sharing tasks in many fields, can progress & safety be found." The U.S. & Britain "will henceforth act in accordance with this principle."

(2) U.S. & British NATO envoys "will urge an enlarged Atlantic effort in scientific research & development . . . & the expansion of the [NATO] task force working in this field." (The NATO scientific group, headed by Dr. Joseph B. Koepfli, Calif. Inst. of Tech. physicist, met Oct. 25 in Paris.)

(3) Pres. Eisenhower "will request the Congress to amend the Atomic Energy Act . . . to permit of close & fruitful collaboration of scientists & engineers of Great Britain, the [U.S.], & other friendly countries." [See pp. 220G2, 219B3, 162G1]

(4) Western disarmament proposals made before the UN Disarmament Subcom. & approved by the NATO powers continue to be "a sound & fair basis" for a general disarmament pact. [See pp. 281B1]

(5) In the absence of a disarmament pact, "international security" depends "not merely on local defensive shields" but on "the deterrent & retaliatory power of nuclear weapons." "Our possession of nuclear weapons [is] a trust for the defense of the free world." [See p. 305B1]

(6) The U.S. & Britain "plan to discuss these ideas with all of their security partners."

(7) NATO, SEATO, METO & other Commonwealth & U.S. security pacts will continue to "constitute a strong bulwark against aggression."

(8) Collective security must be bolstered by "cooperative economic action," especially toward the European free trade zone & common market and the "less developed countries."

(9) The U.S. & Britain are "in full agreement" that (a) "Soviet threats directed against Turkey" underline NATO obligations "to consider an armed attack against any member of the alliance as an attack against all," and (b) the continued division of Germany & Soviet repression of East Europe were unjust & dangerous.

(Macmillan, who met with Diefenbaker & the Canadian Cabt. Oct. 26 and returned to London Oct. 27, told the House of Commons Oct. 29 that Britain & the U.S. would seek to include "all our allies" in "a common partnership" for effective use of Western resources. He termed the Oct. 25 joint communiqué "a declaration of the interdependence of the free world.")

Dulles on Defense Revision. U.S. State Secy. John Foster Dulles conceded to reporters Oct. 29 that he did "not think that our existing political-military mechanisms are adequate" for efficient operation of the NATO alliance. Dulles, urging a redivision of current defense tasks among the NATO allies, said it would be "logical that the [U.S.] should do the primary work in terms of nuclear weapons & the means of their delivery at long range." Although he denied favoring withdrawal of U.S. forces from forward bases in Europe & Asia, Dulles asserted that an interdependent defense should rely on "local manpower." He urged free nations "to accept the implications of

*The Eisenhower-Macmillan talks were paralleled Oct. 23-25 by meetings among Dulles, Lloyd and several groups of U.S. & British diplomatic, defense & scientific leaders. Attending various stages of the Eisenhower-Macmillan and Dulles-Lloyd talks were: (for the U.S.) Defense Secy. Neil H. McElroy, Dep. Defense Secy. Quarles, AEC Chrmn. Strauss, State Undersecy. Christian A. Herter, Asst. State Secy. for Policy Planning Girard Smith, U.S. Amb.-to-Britain John Hay Whitney & U.S. Amb.-to-Canada Livingston Merchant; (for Britain) Macmillan's pvt. secy., Frederick Bishop, Permanent Treasury Secy. Sir Norman Brock, Dep. Forgn. Office Undersecy. Sir William Hayter, AEA Chrmn. Plowden, Perm. Defense Secy. Powell, Dep. Forgn. Office Undersecy. Sir Patrick Dean & British Amb.-to-U.S. Sir Harold Caccia.

ADVISORY BOARD
Letters: Prof. A. J. BARNOUW, Columbia
Medical Science: Dr. EDWARD C. BRENNER
Political Science: Prof. FRANCIS W. COKER, Yale
Economics: Prof. J. ANTON DE HAAS, Claremont
Science: DAVID DIETZ, Scripps-Howard Newspapers
Education: Dr. HARRY D. GIDEONSE, Pres. B'klyn Coll.
History: JOHN GUNTHER
News Analysis: H. V. KALTENBORN
World Affairs: WILLIAM L. SHIRER
Latin America: Prof. FRANK TANNENBAUM, Columbia
Library Service: Dr. C. C. WILLIAMSON, Columbia

REFERENCES in brackets give location of background information in this & preceding volumes

82

an era of interdependence" and to "move forward toward a concept of . . . central police authority." [See p. 305B1]

Dulles & Gen. Alfred M. Gruenther, ex-Supreme NATO Commander, had warned Aug. 25 that NATO defenses were lagging behind advances in its striking power. Appearing on ABC-TV's "College News Conference," Dulles asserted that NATO still lacked an "integrated air defense warning system" and adequate supplies of "advanced defensive weapons." Gruenther explained that, while "on the strategic side we are well off," "in the ground-naval element we are still weak." [See pp. 273G2, 225F2]

(According to the Oct. 26-28 "N.Y. Times," Pres. Eisenhower & Prime Min. Macmillan had agreed in principle to divide future nuclear weapons development between the U.S. & Britain. Eisenhower Admin. sources outlined Oct. 28 a tentative agreement that the U.S. concentrate on nuclear warheads for ICBMs & intercontinental bombers and Britain be responsible for smaller nuclear charges to be used by IRBMs & tactical bombers. The 2 leaders also were said to have agreed to revision of current U.S. & British military budgets to eliminate duplication & unnecessary minor projects & garrisons.)

Research Needs Pressed. A report made public Oct. 22 by U.S. Sen. Henry M. Jackson (D., Wash.), chairman of the special NATO Parliamentary Com. on scientific & technical personnel, had warned that NATO faced "a genuine crisis" due to "serious shortages of skilled scientific & technical manpower." The Jackson report outlined an 8-point program for a NATO-wide educational program designed to match the USSR's "great technical competence."

Pres. Eisenhower, addressing a White House state dinner for visiting Queen Elizabeth II, had called Oct. 17 for a combined NATO effort to pit Western scientific strength against "our potential enemy." The President, who described NATO "as a way of grouping ability," said that it would be "ridiculous to compare their [the USSR's] brains, their abilities . . . with the combined total of the free world." [See p. 330E2]

Spokesmen for the USAF Research & Development Command disclosed Oct. 28 that the AF would allocate $2.5 million in 1957-58 for basic research by a special "brains pool" of European scientists. The U.S. delegation to the Org. for European Economic Cooperation said Oct. 28 that the U.S. was ready to contribute $500,000 on a matching basis toward OEEC efforts to relieve Europe's shortage of scientists.

The 7-nation WEU Assembly, meeting in Strasbourg, voted by 43 to 4 Oct. 12 to as member Govts. to counter the USSR's "giant steps" in "the field of general techniques as in the domain of modern armaments." The WEU appeal, primarily directed at Britain, followed assembly criticism of the U.S. for having "helped our enemy," presumably the USSR, to launch the first successful ICBM & earth satellite. [See p. 332G2]

Sees Defense Fund Boost. Pres. Eisenhower confirmed Oct. 30 that the U.S.' fiscal 1958 defense budget probably would be increased by "something more" than $400 million over the $38 billion ceiling imposed by retired Defense Secy. Charles E. Wilson. The President, implying that the fiscal 1959 defense budget also would exceed the $38 billion limit, expressed doubt that the total budget could be held within $70 billion without "very serious retardations elsewhere." [See pp. 310B2, 244F3, 229E1]

Wilson Order Revoked. Defense Secy. McElroy Oct. 28 cancelled the Wilson economy order restricting fiscal 1958 defense spending to $38 billion and in effect cutting military research & development funds by $170 million. McElroy ordered the services to restore "basic research" funds "within the over-all resources currently available to the military departments." McElroy, who said that the $38 billion limitation "must be kept in mind," told service chiefs to increase basic research spending "to the general levels justified to the Congress & authorized within the fiscal year 1958 appropriations." [See pp. 338F2, B3, 269D2, 244D3]

In a Defense Dept. memorandum issued Oct. 29 on a reported defense contract payment slowdown, McElroy told Army, Navy and Air Force chiefs to "make it clear that they will . . . pay bills as they fall due." The McElroy memorandum, which followed industry protests against AF announcements that its defense payment schedule had been stretched out to relieve pressure on Govt. cash needs & the natl. debt, said that "some defense contractors will be asked to support . . . somewhat greater proportion of inventories & work-in-process with their own funds." McElroy indicated that the Govt. would renegotiate upward contracts with the affected firms. [See p. 338C3]

(An AF statement conceded Oct. 26 that, "in a few cases," payments to missile & aircraft manufacturers "have been delayed for short times due to world-wide distribution & redistribution of limited funds." Businessmen attending a recent meeting of the Commerce Dept.'s Business Advisory Council in Hot Springs, Va. were reported Oct. 26 to have charged that the Govt. had "reneged on its debts.")

Army Vs. AF Defense Role. Leading Army officers, speaking Oct. 28 before a meeting of the U.S. Army Assn. in Washington, attacked the U.S.' reliance on retaliatory air power and urged use of the Army missile program to develop an effective anti-missile missile. [See pp. 331D3-332A1, 212F3-213D1]

Gen. Maxwell D. Taylor, Army Chief of Staff, told the meeting that Army studies had proved an anti-missile missile defense feasible "for a price which is within reach." Referring to AF & Defense Dept. objections to such a defense, he rejected claims that "the dollar requirements for this . . . are astronomical & that the whole concept is beyond consideration." Taylor stressed that an anti-missile program would be mandatory to defend & "retain our nuclear retaliatory deterrent capability, which is indispensable to the prevention of general atomic war." [See Vol. XVI, pp. 114E1, 52B3]

Lt. Gen. Stanley R. Mickelsen, Army Air Defense Cmnd. chief, told the meeting that nuclear weapons gave "a great advantage to the unopposed attacker" and that "an exceptional defense" against missile attack was necessary "if we are to survive to wage war." Mickelsen's speech, which had been heavily censored by the Defense Dept. for its criticism of the AF, originally had charged that "interceptor aircraft are obsolescent" but said that the Army's Nike missile "can reach & kill any bomber that flies today." Deleted passages also had called upon the U.S. to shed massive retaliation theories "of mass destruction of civilian populations." [See p. 322E1]

(Gen. Taylor, interviewed by the North Amer. Newspaper Alliance, said Oct. 26 that interservice rivalry had aided in U.S. development of missiles but that the time had come to decide on whether to concentrate on a particular ballistic missile type.) [See p. 332A1]

(An article in "Aviation Week" magazine reported Oct. 28 that Rand Corp. consultants had advised the Air Force to drop current plans for anti-missile missile defense of U.S. cities because of cost. They were reported to have recommended use of any effective anti-missile defenses to protect Strategic Air Comnd. bases & thus maintain SAC bomber & missile forces for retaliation.) [See p. 23G2]

Missiles & Rockets. Col. Eugene C. LaVier, Deputy Operations Comndr. of the USAF Office of Scientific Research, told newsmen Oct. 25 that radio signals from the AF's Far Side rocket recently tested at Eniwetok I. had been audible for 8 mins., indicating that the rocket had attained a 2,500-mi. altitude, and then had reappeared after a 75 min. silence, indicating it had topped the 4,000-mi level. Far Side Project director Morton Alperin denied, however, that the signals had faded for 75 min. He expressed doubt that the missile had exceeded 4,000 mi. [See p. 338A2]

The U.S. Navy disclosed Oct. 23 that it had let a $62.1 million contract to the Lockheed Aircraft Corp. for development of the Polaris IRBM (a 1,500-mi. missile capable of carrying a nuclear warhead & being launched from a submarine). The Polaris was

FACTS ON FILE is published weekly by Facts on File, Inc., 119 W. 57th St., New York 19, N. Y. (COlumbus 5-2011-2). Entered as 2d class matter June 24, 1941 at the Post Office in New York. N. Y., under the Act of March 8, 1879. Subscription $95 a year; Yearbooks (bound volumes) from 1942—$25 each. Cumulative Index published twice a month. Copyright 1957 by Facts on File, Inc. Edw. Van Westerborg Pres.-Treas.: Fred McGhee. Secy.-Editor; Bernard Messinger, Business Manager.

described Oct. 16 by Navy Secy. Thomas S. Gates as a "truly intercontinental" missile "in terms of the targets [it] can reach." Gates stressed that sea-borne missile units were immune from enemy missile attacks and "free from the political tangles of foreign bases." [See p. 338D-E2]

The USAF announced Oct. 27 that B-47-borne Rascal guided missiles had scored 4 hits on a 1,500-ft.-radius target in recent tests at the AF's Missile Dvlpt. Center in New Mexico. The AF had disclosed Oct. 24 that a long-range guided Bomarc interceptor missile had tracked & hit a target plane at 60,000 ft., 100 mi. from its launching site. [See p. 338C2]

●

Satellite. Moscow radio confirmed Oct. 26 that radio signals from the Soviet artifical earth satellite had ceased earlier the same day due to power failure. It said that the satellite, which had completed 326 circuits around the earth & now was orbiting once every 95.31 min., would be tracked visually together with its 3d-stage rocket, now orbiting in 94.68 min. [See pp. 339G1-B2, 321F1]

Moscow radio said Oct. 27 that a 2d Soviet satellite, possibly equipped to carry a dog, would be launched "in the near future." Prof. Alexei V. Pokrovsky said that a team of dogs already was under conditioning for use in space flight. [See p. 339F2]

MIDDLE EAST

Saudis Deny Mediation Ended. The Saudi Arabian Govt. denied Oct. 28 Syrian reports that King Saud had withdrawn his offer to mediate the current Syrian-Turkish dispute. The Saudi statement ignored Syrian rejection Oct. 23 of the mediation offer. [See p. 37B1-B2]

A Syrian Govt. statement had reported Oct. 26 that Shekh Abdul Aziz ben Zeid, Saudi Amb. to Syria, had informed Syrian Pres. Shukri al-Kuwatly of Saud's decision to terminate the offer. Syrian Info. Dept. spokesmen said later Oct. 26 that Saud had withdrawn the offer at Syrian request in order to aid Syria's complaint against Turkey in the UN.

Lodge Warns Reds. Addressing the UN Gen. Assembly, convened to debate the Syrian-Turkish problem, U.S. Amb.-to-UN Henry Cabot Lodge Jr. warned the USSR Oct. 25 that the U.S. would not be deterred by "threats or defamation" from its policy to support those nations "whose independence the Soviet Union threatens to destroy." Lodge, who welcomed Syrian requests for a UN investigation of the dispute, told the assembly that, if challenged, the U.S., its allies & the UN Charter could form "the most powerful alliance that the world has ever seen." [See pp. 337B2, 329B-C2, 322D3]

Turkish Rep.-to-UN Selim Sarper told the assembly Oct. 28 that Syria & the USSR had made "unfounded & inconceivable" charges against Turkey & the U.S. in an effort to "intimidate my country & the free world" into dissolution of the NATO & Baghdad [METO] Pacts, which were "their only guarantees for survival." Sarper reiterated Turkey's willingness to mediate with Syria through King Saud. [See p. 337C3]

Hammarskjöld Action Asked. A Western resolution, authored by the U.S. & Canada but introduced Oct. 30 by Canada, Japan, Denmark, Norway, Paraguay, Peru & Spain, proposed that the assembly endorse efforts by UN Secy. Gen. Dag Hammarskjöld to end the Turkish-Syrian dispute. It followed introduction of a Syrian resolution calling for a 7-nation UN fact-finding commission to investigate "the situation on the spot in the area of the Syrian-Turkish border" and on territory of both nations. [See p. 337B-D2]

Sir Leslie Munro, assembly pres., recessed action on both resolutions Oct. 30 in the hope that a "gentlemen's agreement" would avert a vote on either and permit Hammerskjöld to attempt a settlement under his Charter powers. [See pp. 154C3, 94A2; Vol. XVI, 386D1, 242A1, 117B1]

Syrian Warning to NATO. In notes to all NATO member states, the Syrian Forgn. Ministry expressed belief Oct. 28 that Turkey was planning to attack Syria during NATO exercises scheduled by U.S., British & Turkish forces Oct. 31-Nov. 2 along the Turkish coast. Syrian Forgn. Ministry spokesmen estimated Oct. 26 that 100,000 Turkish troops had been massed along the Syrian-Turkish frontier. [See pp. 338E1, 333A2]

A Syrian Govt. announcement charged Oct. 27 that Turkish troops had crossed the Syrian frontier Oct. 25 & kidnaped a Syrian from the border village of Gartek. Damascus underwent an air raid alert Oct. 25 at the approach of what were termed unidentified planes. [See p. 322E2]

(Vice Adm. Charles R. Brown, U.S. 6th Fleet Cmndr., denied "categorically" Oct. 26 that U.S. aircraft had been "over Syria or even near Syria.") [See p. 338D1]

(Soviet Army, Navy & AF newspapers announced Oct. 24 that units of the Trans-Caucasian Military District & Black Sea Fleet had carried out maneuvers in the Turkish border area "taking into account the use of atomic weapons & other means of modern warfare.") [See p. 338A1]

Soviet-Syrian Aid Pact. An economic & technical assistance agreement, signed Oct. 28 in Damascus by Khaled el-Azm, Acting Syrian Defense Min., & Petr V. Nikitin, Soviet Forgn. Economic Relations Com. vice chrmn., provided for Soviet aid to Syria for the construction of 19 development projects estimated at 1.4 billion Syrian pounds ($400 million). The accord pledged the USSR to provide equipment, materials, technical assistance & credits repayable in 12 yrs. at 2½%. [See pp. 281F3, 275B3, 259C1, 251B3]

Israeli Knesset Bombed. Israeli Premier David Ben-Gurion, Forgn. Min. Golda Meir & 3 other Cabt. Mins. were wounded Oct. 29 when a hand grenade thrown by Moshe Duek, 25, exploded on the floor of the Knesset (Parlt.) in Jerusalem. Ben-Gurion, 71, & Mrs. Meir, 59, were slightly wounded as were Communications Min. Moshe Carmel, 46, & Health Min. Israel Barzilai, 44. Moshe Shapiro, 55, Social Welfare & Religious Affairs Min. was wounded seriously. Duek, an Israeli Jew, was seized in the Knesset. He was reported to have been motivated by dislike for the Youth Aliyah org., a children's immigration group. [See p. 251G1-A2]

(Israeli Pres. Itzhak Ben-Zvi was reelected Oct. 28 to a 2d 5-yr. term by a 76-0 Knesset vote. 18 blank ballots were cast by the Communist, Herut & orthodox Agudath Israel parties.) [See Vol. XII, p. 398B]

(Ben-Gurion, in an interview with U.S. newsmen, called on the West Oct. 17 to supply Israel with defensive air & anti-submarine weapons to offset Soviet arms deliveries to the Arab states. He told the Knesset Oct. 21 that Arab-Israeli problems had been complicated by U.S.-Soviet differences in the Mid-East and that only the great powers now could take effective action to resolve "the tension in this region.") [See p. 307B3]

ATOMIC ENERGY

H-Power Breakthrough Seen. U.S. & British scientists meeting at Princeton U. reported Oct. 18 that experiments carried out in American & British laboratories "suggest the achievement of neutrons from thermonuclear reaction" in a substantial step toward the production of power from fusion of the hydrogen atom. The conferees, meeting under the auspices of the U.S. Atomic Energy Comm. & British Atomic Energy Authority, said that "distinct" British & American approaches to controlled thermonuclear reaction had been based on heating heavy hydrogen to 100 million° C., then confining the hot gas. They said that further experiments would be needed to prove definitely the presence of thermonuclear neutrons among particles given off by the contained gas. [See p. 194F2]

A-Weapons & Tests. The U.S. AEC reported Oct. 10 the 4th nuclear detonation in the current Soviet test series. It placed the "small explosion" somewhere "north of the Arctic Circle." [See p. 322C2] . . . U.S. Defense Secy. Neil H. McElroy disclosed Oct. 23 that American naval planes on anti-submarine patrol in the Atlantic were being armed with a recently developed "atomic depth charge." [See p. 123F3] . . . The "N.Y. Times" reported Oct. 17 that the U.S. Budget Bureau had refused to release to the AEC $18 million of the $33 million Congressional appropriation for development of an atomic-powered rocket under the AEC's Project Rover. [See p. 332A3] . . . The AEC's Advisory Com. on Biology & Medicine recommended Oct. 19 that the U.S. continue nuclear weapons tests "as a military necessity" but limit them "to a minimum consistent with scientific & military requirements." It asserted that current radioactive fall-

out "is well within tolerable limits" but warned that it might grow "serious" if other nations began to test nuclear weapons. [See p. 306D2] . . . A British Govt. handbook ("The Hydrogen Bomb") issued Oct. 25 warned that an H-bombed Britain would face "a long struggle to keep life going." [See Vol. XV, p. 65E3] . . . An overheated reactor at the UK's Windscale plutonium production plant in Cumberland caused an escape of radioactive iodine Oct. 10-11, contaminating a 200-sq.-mi. area around the plant. The 2 Windscale reactors were closed & all local milk supplies destroyed following the incident. [See p. 98B2]

NATIONAL AFFAIRS

THE PRESIDENT

Rogers Succeeds Brownell. Pres. Eisenhower Oct. 23 accepted the resignation of Herbert Brownell Jr., 53, at Atty. General and designated Deputy Atty. Gen. William Pierce Rogers, 44, to succeed him. Brownell planned to resume law practice with his old N.Y. firm of Lord, Day & Lord. He disclosed that he & the President had discussed his resignation in August but that it had been postponed because of the Little Rock desegregation controversy. [See pp. 316F1, G2, 308A3, 292D1, 291D2, 285C2, 253F2-A3, 237B3; Vol. XII, 380B]

Facts on Rogers. A close friend & adviser of Vice Pres. Nixon, Rogers was born in Norfolk, N.Y. June 23, 1913. Graduated from Colgate in 1934 and then took law degree at Cornell 1937. An Asst. Dist. Atty. of N.Y. County 1938-42 (while Thomas E. Dewey was making a record as racket-busting Dist. Atty.) & 1946-47. Served 1942-46 in Navy, rising to rank of cmndr. Went to Washington in 1947 as counsel to Senate war investigating com. and served as counsel to Senate committees until 1950, when he became partner in N.Y. & Washn. law firm of Dwight, Royall, Harris, Koegel & Caskey. Aptd. Deputy Atty. General 1953. Married Adele Langston June 27, 1936. Daughter—Dale. 3 sons—Anthony Wood, Jeffrey Langston, Douglas Langston. [See p. 138F-G2; Vol. XVI, 418C2; XIV, 194C-D1, 193D1, E3; XII, 380H-J]

On Rights Unit Delay. Pres Eisenhower indicated at his Oct. 30 press conference that he was having difficulty in appointing satisfactory men to the Civil Rights Comm. created by the Civil Rights Act of 1957. "We have been working on it for weeks," he said, but "people of the national character you want" are "so involved in quasi-public work, in private work, in everything else that it is difficult to get exactly whom you want."

Commission members, he declared, "ought to be men of national reputation so that their opinions, convictions, their findings of fact will be respected by America." "So far as possible," he added, the commission should have representatives of "all types of thinking." He said it should include members who represent "the true feelings of the mass of the South" & members "who represent the opinions of . . . those who believe more in law." "In other words," he continued, "I want to get the spectrum of American opinion on this matter."

Mr. Eisenhower made no comment on reports that he was considering appointing Adlai E. Stevenson, an integrationist, & ex-Gov. Allan Shivers (Tex.), segregationist. [See p. 284G3]

The President denied that there had been any "hitch" or intentional delay about his agreement to confer with Rep. Adam Clayton Powell Jr. (D., N.Y.) on integration. He said people on both sides wanted to talk to him and that "it is a question of arranging these things in the order in which they can be taken up, studied & something useful accomplished." [See p. 300B-C1]

Other Presidential News. The White House Oct. 26 released a report in which Commerce Secy. Sinclair Weeks & Small Business Admin. Wendell B. Barnes recommended that the President call a 2d national conference to aid small business. They suggested emphasizing management problems. They recommended that Govt. agencies give small firms a bigger share of research & development contracts. [See pp. 341B1, 125E-F2] . . . The President Oct. 26 named Vice Adm. James L. Holloway Jr. a full admiral as commander-in-chief of naval forces in the eastern Atlantic & Mediterranean, succeeding Adm. Walter F. Boone, new U.S. representative to NATO's Military Com. & Standing Group. The President chose Vice Adm. Harold P. Smith to succeed Holloway as chief of the Bur. of Naval Personnel.

●

LABOR

AFL-CIO Suspends Teamsters. The Intl. Bro'hood of Teamsters was suspended by a 25-4 vote of the AFL-CIO Executive Council Oct. 24.

The council, in a resolution adopted at a Washington meeting, said the suspension would be lifted "if & when" the Teamsters agreed: (a) "to remove & bar from office" Teamsters pres.-elect James R. Hoffa & others accused by the council of responsibility for corruption; (b) to the appointment of an AFL-CIO committee with authority to eliminate corrupt influences from the Teamsters Bro'hood and to insure the union's compliance with the AFL-CIO's ethical practices codes. The resolution said that if the Teamsters failed "promptly to consent to the conditions set forth above," the council would ask the next AFL-CIO convention to expel the Teamsters. [See pp. 317E2, E3, 334G2-335E1]

The 4 council members who voted against the resolution were: John F. English, Teamsters secy.-treasurer [see p. 317F-G2]; Herman Winter, Bakery & Confectionery Workers pres.-emeritus [see p. 96A-B1; Vol. XVI, 292D-E1]; Maurice A. Hutcheson, Bro'hood of Carpenters pres.* [see p. 325D1]; William C.. Doherty, Natl. Assn. of Letter Carriers pres.

*The AFL-CIO Executive Council had decided Aug. 13 not to take disciplinary action against Hutcheson despite the fact that he had invoked the 5th Amend. in refusing to answer questions of a Senate Roads subcommittee about his alleged complicity in the Indiana highway scandals. [See p. 253D-E3]

Baker, Textile Unions Warned. The AFL-CIO Executive Council Oct. 25 gave the Bakery & Confectionery Workers and the United Textile Workers until Nov. 15 to oust officials accused of corruption & to take other action to correct abuses. They were warned that failure to comply would mean suspension. [See p. 317E-F3]

The Bakers union was ordered to remove James G. Cross as pres. and to reinstate Curtis R. Sims, who had been ousted as secy.-treasurer§ after he accused Cross of misusing funds & granting "sweetheart" contracts.†

The Textile union was ordered to remove Anthony Valente as pres. and to cancel an agreement to pay $104,000 ($100 a week for 20 years) to Lloyd Klenert, who had resigned as secy.-treasurer Oct. 18 in an effort to convince the AFL-CIO that the union was cleaning out accused officers.‡

(Joseph Jacobs, also accused, was removed as Southern director of the United Textile Workers Oct. 18 but retained as UTW general counsel. The union's executive board Oct. 18 chose Francis K. Schaufenbel of Lawrence, Mass. to succeed Klenert as secy.-treasurer. It was reported that Klenert was setting up as a labor-relations consultant to management.)

The AFL-CIO council warned the Textile union that it would recommend its expulsion from the AFL-CIO if it failed to consent to the council's conditions. No such warning went to the Bakers. In both cases, the council held that "actions taken" by the unions had not satisfied the council that the unions had "satisfactorily cleaned house."

The council Oct. 24 lifted the one-yr. probation it had placed on the Allied Industrial Workers. It acted on a report of Peter M. McGavin, monitor of the AIW & aide to AFL-CIO pres. George Meany, that the union had done "everything possible" to comply with AFL-CIO clean-up orders. [See pp. 173D1, 261D2-262D1]

Hoffa Ban Extended. Fed. Dist. Judge F. Dickinson Letts, 82, in Washington Oct. 23 issued a preliminary injunction prohibiting Hoffa & other officials elected at the recent Teamsters convention from taking office until the outcome of a suit to determine the legality of actions taken at the convention.

The preliminary injunction replaced Letts' previous temporary order barring the officials from office.

§Cross' "immediate resignation" & Sims' reinstatement were demanded in resolutions adopted in Atlanta Aug. 17 by leaders of 20 Southeastern Bakers locals. Cross' resignation had been demanded in a telegram sent to Cross July 23 by Sims & Bakers vice presidents Danl. E. Conway of Bethesda, Md.; John DeConcini of Upper Darby, Pa.; Archie Goodman of Glendale, Calif., & Amos Miller of Chattanooga.

†"Sweetheart" contracts, negotiated by collusion with union officials, favor employers at the expense of employes.

‡Valente Sept. 12 had suspended the officers of UTW Local 229 (N.Y.) and had installed UTW vice pres. Burt Hyman as the local's trustee after a rival union (Local 485 of the Intl. Union of Electrical Workers) charged in court that Local 229 pres. Archie Katz had allowed labor racketeer Anthony (Tony Ducks) Corallo to use the local's offices for gambling & racketeering purposes and had negotiated "sweetheart" contracts.

Letts signed the injunction after he had determined, he said, that there had been a "conspiracy to rig" the convention in Hoffa's favor. He said at least 478 of the convention's 1,753 delegates had been seated in violation of the Teamsters' constitution. The injunction was issued on the petition of 13 N.Y. rank-&-file members. [See p. 334G2]

Teamsters Hq. in Washington announced Oct. 16 that Dave Beck, scheduled to retire as Teamsters pres. in favor of Hoffa Oct. 15, would remain in office pending the suit's outcome. [See p. 325B-C1]

(The Senate Com. on Labor-Management Practices agreed Oct. 16 to defer further questioning of Hoffa to avoid conflict with his N.Y. perjury trial.) [See pp. 334G3-335D1]

Shefferman Firm Probed. The Select Senate Com. on Improper Activities in the Labor or Management Field opened hearings in Washington Oct. 22 into charges that Labor Relations Associates of Chicago, Inc., management consultant firm founded & headed by Nathan W. Shefferman, used Shefferman's friendships with such union leaders as Teamsters pres. Dave Beck &/or illegal tactics to prevent the unionization of 300 company clients or to secure "soft" union contracts for them. Committee investigators said the Shefferman firm, currently dormant, had grossed $2,481,798 during 1951-56. [See pp. 96E3-97B1, 157E3, 158B1, 318C1]

According to witnesses, Labor Relations Associates was hired in 1955 by the Morton Packing Co. to prevent organization of its Webster City, Ia. plant by the CIO United Packinghouse Workers. In 1956 the firm became the Morton Frozen Foods Div. of Continental Baking Co. Then, according to committee witnesses, it hired LRA to reverse its allegedly "union-busting" work and to organize the employes for the Bakery & Confectionery Workers, which made a "soft" contract with the company. Committee investigator Pierre Salinger said the company paid LRA $12,500 to defeat the Packinghouse Workers & $8,306 to help the Bakery Workers organize the plant.

Gary Long, ex-Morton employe who said he had helped block the Packinghouse Workers, testified Oct. 22 that LRA agent Jack Nevett, in charge of the anti-union operation, had organized a rank-&-file movement against the union and that pro-union employes had been disciplined.

The Packinghouse Workers had been defeated in an NLRB election (by 198-103), but the company recognized the Bakery union without any vote. LRA agent Charles Bromley was in charge of the latter case.

Keith Binns, who had been plant manager, testified Oct. 22 that he had worked with LRA in canvassing employes on union attitudes and in dismissing or punishing union supporters. He agreed that the Bakery Workers contract, signed by the union's ex-vice pres. George Stuart & the company without the workers' being consulted, provided much lower wages (it called for a 5¢-an-hr. raise annually for 3 years) than the Packinghouse union could have won.

(Stuart, who had invoked the 5th Amend. at earlier committee hearings, sent the committee an affidavit saying he would have to plead the 5th Amend. again if he appeared at the current hearing.) [See p. 208C2-B3]

George Faunce Jr., Continental Baking vice pres. for industrial relations, denied Oct. 23 that his firm had "bought union favors." He said it had signed with the Bakery Workers for the 300-employe Morton plant because that union already represented Continental's other 15,000 unionized workers. The employes were not consulted about the contract because "you make a contract with a union leader, not a mob of people," Faunce declared. He said the plant had been "deeply in the red" and its "employes would not have received any increase at all if the Bakery union had not succeeded in organizing them." He defended the contract as equivalent to others in the industry, although Sen. John L. McClellan (D., Ark.), committee chairman, pointed out that it did not have the health & welfare provisions usually found in other contracts in the industry.

Faunce testified that he & officials of 4 other big baking companies had agreed to shield Bakery Workers pres. James G. Cross from "embarrassment" by postponing, until after a scheduled union meeting, their action on charges that union vice pres. Harry Friedman had misused $26,000 in union health & welfare funds. (Delegates to the meeting, in the absence of the charges, gave Cross a vote of confidence.) [See p. 208A3]

Cross testified Oct. 23 that he knew of no part the Shefferman firm had in organizing the Morton plant and that he did not remember a personal phone call Shefferman had made to him at his home Oct. 13, 1956, the day before Cross sent Bakery union representatives to Webster City to organize the Morton plant.

Merle C. Smith, Southern regional director for the Bakery Workers & originally assigned to the Morton case, testified Oct. 23 that he had reacted with "disgust & disappointment" to the contract Stuart had signed with Morton. He said Stuart had told him to do his best to put into office a slate of local union officers recommended by LRA.

McClellan Oct. 23 read a report on a staff interview with Dr. Louis Chekov, "industrial psychologist" for the Shefferman firm. Chekov said he had been assigned to the Whirlpool Corp.'s Marion (O.) division to "interview prospective employes" and "screen out workers with pro-union sentiment." He said prospective employes were given "human equation" tests and told, if the tests showed them pro-union, that they had failed the exams. He reported that Theodore Hufert, the division's industrial relations director, had worked closely with him in this.

Hufert, testifying Oct. 23, denied Chekov's charges. He said: he had fired Chekov for turning in "swindlesheet" expense accounts; his division had paid the Shefferman firm $28,522 for services between Aug. 31, 1955 & June 30, 1956; he knew of no anti-union activities in the plant.

Charles Litell, ex-employe of the Marion division, testified Oct. 24 that he had gotten his job through Harry Miller of the Shefferman firm, then had spied on fellow employes and formed an anti-union committee on Chekov's orders. Litell said he finally had quit his anti-union activities in disgust at LRA methods, which he found "too vicious for me," and had joined the United Auto Workers. The firm then fired him, he said. Despite Hufert's disclaimer of knowledge of anti-union activity, Litell insisted he had reported regularly to Hufert about actions of his anti-union committee. According to Litell, the committee kept a card file showing whether employes were pro-company or pro-union. Pro-union men were threatened with loss of their jobs, he testified.

Mervin Bachman, who had been an NLRB lawyer 1942-53 and then had worked for 3 years for the Shefferman firm, testified Oct. 24 that he had told Shefferman several times that LRA tactics were unfair practices under the Taft-Hartley law. These tactics, he said, included company-sponsored "Vote No" committees (urging employes to vote against unionization) & other employer-instigated employe groups fighting unions. Warren B. Pleister, employe-relations director for Whirlpool's Clyde (O.) plant, testified Oct. 24 that Whirlpool had paid for anti-union literature distributed by his plant's "Vote No" committee in 1956, and LRA agent Walter G. Patterson testified that much of the $15,000 in expenses he had received in 1955-56 had gone to Whirlpool employes for "influencing opinion in favor of the company."

Committee investigators reported Oct. 24 that Whirlpool had paid LRA $136,899 in 3 years.

Wallace W. Tudor, Sears, Roebuck & Co. vice pres. for personnel, testified Oct. 25 that his company & the Shefferman firm had used "inexcusable, unnecessary & disgraceful" tactics to fight unions. He said Sears had dropped LRA and would not tolerate "a repetition of these mistakes." In beating back efforts to unionize Sears' Boston store, Tudor said, Sears & LRA had made "widespread use of pressure & coercion; discrimination against employes for union activities; favoritism; intrigue, & unfair labor practices." But he said the Boston & "other scattered . . . excesses were isolated episodes, contrary" to Sears' normal practices.

(Shefferman had gotten his first labor relations experience by working against unions as a Sears employe. Sears had helped him organize LRA. Committee auditors Oct. 25 produced records showing Sears had paid LRA $239,651 during 1953-56. Records for other years were not available.)

LRA agent James E. Nielsen, who

admitted using 5 or 6 aliases in his work for LRA, testified Oct. 28 that he felt he performed a service in the interest of Sears' workers when he advised & helped employes "who had asked for help" in fighting an AFL Retail Clerks Union organizing drive. He admitted giving "reimbursement" (financed by Sears) to employes who formed an anti-union group.

Sears salesman James Donaghue testified Oct. 28 that he had agreed to let his car "get wrecked" and to let suspicion be pinned on the Clerks union. He said somebody connected with the Teamsters had told him of the plan, and he testified that Sears repaired the car without charge.

Committee investigators Oct. 29 introduced vouchers to show that Sears had reimbursed Shefferman for such items as $78.75 in expenses incurred by Teamsters pres. Beck & his party in attending the 1955 funeral of the late ex-Teamsters pres. Dan Tobin (the expenses included meals, tips & incidentals), bills for taking Beck & others fishing off Miami and bills for almost-daily phone calls between Beck & Shefferman ($425 in 1953 & $395 in 1954).

Ex-Sears employe Paul Rohrdanz testified Oct. 29 that Sears & LRA personnel, opposing the Retail Clerks' drive at the Boston store, had worked out a scheme to fire an employe, George Brody, and then have the Teamsters Bro'hood offer to help him get his job back. This was to make the Retail Clerks look ineffective. The plan failed when Brody rejected the Teamsters and won reinstatement & back pay through the NLRB. Several witnesses said that C. B. Caldwell, Tudor's predecessor as Sears' personnel chief, had collaborated in the scheme.

Edmund E. Wroblewski, $15,000-a-yr. LRA employe for more than 10 years, invoked the 5th Amend. Oct. years, took the 5th Amend. Oct. 29.

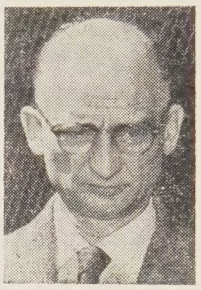
Mennen Explanation. Gov. G. Mennen Williams of Michigan disclosed Oct. 21 that the Mennen Co., of which he was a director & stockholder, had negotiated contracts with Johnny Dio and had employed a personnel consultant formerly associated with Nathan W. Shefferman. Williams said he thought the company had acted in "good faith" but had been "victimized" by Dio. Williams himself had no direct connection with the case and never had any managerial function in the company, he declared.

According to Williams:

- Local 102 of the AFL United Auto Workers began organizing Mennen employes under a man named Zackman (presumably Samuel Zackman) and in Aug. 1951 called an organizational strike at Mennen's Kearney, N.J. warehouse. Zackman then offered to end the strike & organizing campaign "if the company would pay him off," but Mennen refused. A new union representative named John Dioguardi (Dio's real name) then appeared, assailed Zackman's behavior and negotiated contracts with the company. Dio's identity as a racketeer became known to the company in 1952, but he did not appear again, and the union was dropped in a jurisdictional dispute in 1953.
- The company later retained the N.Y. labor-relations firm of Labor Relations Associates, headed by Louis Jackson, which was associated with the Chicago firm headed by Shefferman. When Shefferman's background became public, the company dropped the N.Y. firm. Jackson, however, informed Mennen that he had cut all ties to Shefferman and had changed his firm's name to Personnel Advisory Service. The company then retained Jackson & his firm.

OTHER U.S. NEWS

Abel Convicted as Spy. Col. Rudolph Ivanovich Abel, 55, of Soviet intelligence was convicted by a federal jury in New York Oct. 25 of conspiring to steal U.S. defense secrets for Russia. He was found guilty on a 3-count indictment charging (1) conspiracy to transmit U.S. defense & atomic secrets to the USSR, (2) conspiracy to gather the secrets and (3) failure to register as a foreign agent.



Wide World
ABEL

Abel did not testify during the trial, which had opened Oct. 14. The chief witness against him was ex-Lt. Col. Reino Hayhanen, 37, confessed ex-Soviet spy, who identified Abel Oct. 14 as the USSR's "resident officer for espionage" in the U.S. Hayhanen said he himself had entered the U.S. in 1952 under a passport issued in the name of Eugene Nikolai Maki, who had been born in Idaho in 1927 shortly before his Russian-born family returned with him to Russia. Hayhanen said he had been sent to the U.S. to do "espionage work" under the supervision of Abel, whom he knew only under the cover name of "Mark." Hayhanen's own cover name was "Vik."

Hayhanen testified Oct. 15 that he & Abel had been ordered from Moscow to give $10,000 in 2 payments to Mrs. Helen Sobell, wife of Morton Sobell, who was serving a 30-yr. sentence for his conviction in the Rosenberg atomic spy case. $5,000 of the money was buried in Bear Mountain Park and $5,000 deposited later by Abel in a bank, Hayhanen said, but Mrs. Sobell got none of it. He testified that he had been "told to . . . find out whether she would serve as an agent," but he indicated that he had not fulfilled this assignment. (Mrs. Sobell issued a statement denying that she or Sobell "have ever committed . . . or conspired to commit espionage." She said Hayhanen's "meaningless testimony is just a way of smearing me at a time when my husband's case is before the Supreme Court in a request for a new trial." Sobell's plea for a new trial was rejected by the Supreme Court Oct. 28. The court had turned down 6 previous Sobell appeals; others were pending.) [See Vol. XVI, p. 210F2-A3]

Hayhanen testified Oct. 14 that one of his contacts was Mikhail Sverin, ex-member of the USSR delegation to the UN, who passed coded messages to him in a theater.

Abel's prosecution was headed by Asst. U.S. Atty. Gen. William F. Tompkins. He was defended by court-appointed attorney James B. Donovan, 41, and tried before Fed. Judge Mortimer F. Byers, 80. [See p. 341C2]

Fingerprinting will no longer be required of most foreigners visiting the U.S. for a year or less, State Secy. John Foster Dulles & Atty. Gen. Herbert Brownell Jr. announced Oct. 10. Abandonment of the requirement was to be "on a basis of reciprocity," however, with visitors from Liberia, Peru & Ecuador continuing to be fingerprinted until their countries also dropped the requirement. [See pp. 286C2, 291F2] . . . **Atomic-powered** merchant ships would be designated NS (nuclear ship) rather than SS (steamship) and the first would be named the "NS Savannah" in honor of the first steamship to cross the Atlantic, White House press secy. James C. Hagerty announced Oct. 29. The 21,000-ton vessel was to be 598 ft. long, have a 79-ft. beam, be capable of 21 knots and have accommodations for 60 passengers as well as cargo. It was to be financed initially with $21 million from the Atomic Energy Comm. & $18 million from the Maritime Admin. [See p. 243F1] . . . **Farm production** subsidies (as under the Brannan plan) would be a big step toward socializing agriculture, Agri. Secy. Ezra Taft Benson warned at a harvest festival in Nashville, N.C. Oct. 14. He said farmers could not depend on such a program because "an economy-minded Congress" might "get tired of paying the bill." The Agri. Dept. estimated Oct. 11 that production subsidies would cost the Govt. $7 billion a year if output were limited to the 1956 volume but would cost $10 billion if there were no curbs. This compared with Govt. expenditure of about $2 billion in 1956 on price supports. [See pp. 299A-B1, 238D-E3, 173B-C1] . . . **Walter A. Maggiolo**, a federal mediator since 1943, was appointed Oct. 8 as director of mediation activities for the Fed. Mediation & Conciliation Svc. [See p. 301D-E3] . . . **Indian population** of the U.S. increased from 200,000 in 1900 to 500,000 and has outgrown its economic base on reservations, Indian Affairs Comm. Glenn L. Emmons reported in Bartlesville, Okla. Oct. 29 in an address before the 62-tribe Natl. Congress of American Indians. Emmons said that in compliance with Indian demands, the Bureau of Indian Affairs was resettling many Indians off reservations. [See 100G1, 99D1]

FOREIGN

Zhukov Ouster. The Soviet Govt. announced Oct. 26 that Marshal Georgi K. Zhukov, 60, had been "released" as Soviet Defense Min. by

decision of the Presidium of the USSR's Supreme Soviet (Parlt.). It said that Marshal Rodion Y. Malinkovsky, 59, had been named to succeed Zhukov in the post. Zhukov, Soviet World War II leader generally supposed to have supported Soviet CP First Secy. Nikita S. Khrushchev in his ouster of an "anti-party faction" led by former Dep. Premier Vyacheslav M. Molotov, had returned to Moscow earlier Oct. 16 from a tour of Yugoslavia & Albania begun Oct. 4 [see p. 218C1]. The announcement made no mention of a change in Zhukov's position as sole military member of the Soviet Communist Party Presidium and gave no indication of his future assignment. The Soviet Army newspaper "Red Star," however, indicated Zhukov's downgrading with a statement that the "Communist Party leadership is the source of strength of the Soviet Army & Navy." Soviet CP First Secy. Khrushchev told newsmen at a Turkish Embassy reception in Moscow Oct. 29 that Zhukov was in good health and soon would be given a post for which he was "experienced & qualified." [See p. 330D1]

Guatemala. Col. Guillermo Flores Avendaño was sworn in Oct. 26 as provisional president following the ouster Oct. 25 of Pres. Luis Arturo Gonzalez Lopez. A 3-man military junta headed by Col. Oscar Mendoza deposed Gonzalez after riots had broken out following the disputed election Oct. 20 of Govt. party candidate Miguel Ortiz Passarrelli. Followers of the anti-Govt. party leader, Gen. Miguel Idigoras Fuentes, had staged work stoppages in efforts to have him installed as president. Congress Oct. 29 invalidated the Oct. 20 elections. The junta, which was dissolved simultaneously with Flores' taking office, had voided the election Oct. 26 and called for an interim president & new elections. Flores' interim Cabinet, disclosed Oct. 29: Forgn. Relations Min.—Adolfo Molina; Defense—Col. Roberto Lorenzana; Finance—Hector Menendez de la Riva; Govt.—Edmundo Quinonez; Economy—Augusto Contreras—Labor & Social Welfare—Carlos Enrique Peralta; Public Education—Julio Bonilla Gonzalez; Communications & Public Works—Col. Oliveria Casasola; Agri.—Maj. Guillermo Pacheco. [See p. 342E3]

ECONOMICS

Stock Slump Checked. A 25% decline the past 3 mo. in values of stock traded on the N.Y. Stock Exchange was climaxed by a break Oct. 21-22 to the lowest level since Mar. 1955. The Dow-Jones industrial avg. dropped to 417.79 and sales Oct. 22 totaled 5,090,000 shares (most in one day since Sept. 27, 1955, when the market rallied after a drop caused by news of Pres. Eisenhower's heart attack). The NYSE market rebounded Oct. 23 for the greatest one-day gain since Nov. 14, 1929, which compensated for losses of the preceeding 2 days. [See pp. 187G2, 51A3]

President Sees 'Breather.' Pres. Eisenhower told reporters Oct. 30 that the U.S. economy was not on the verge of a depression but was "taking a breather after a long surge" that had "produced almost a miraculous upsurge in productivity & prosperity." He pointed out that in "our kind of economy, one corner of one section is prosperous, another isn't; one class is prosperous, another isn't." For example, "there is some disappointment" in the quantity of fall buying and "there is some increased unemployment." But "on the other hand," he said, "the demand for money is just as great as ever."

He acknowledged that the cost of living had risen for 13 mo. (see below) but noted that there had been "a flattening of the curve." The rise in the last month was only 1/10 of a point, and the total rise over the past 5½-6 years was "on the order of . . . around 5½-6%." He called it "a bit miraculous that the cost of living has been no higher" in view of the "dynamic surge . . . for building plants, greater productivity, everybody working, full employment, higher wages." [See p. 340D-F2]

•

U.S. cost-of-living (consumer price) index rose 0.1% to 121.1% of the 1947-47 avg. in Sept., the 13th consecutive monthly rise, the Bur. of Labor Statistics reported Oct. 25. Food prices declined but most other costs covered by the index increased during the month. [See p. 326E3] . . . **Farm** real estate value in the U.S. rose 8% to a record $112,400,000 in the year ended July 1, the Agri. Dept. reported Oct. 7. A Census Bureau report Oct. 19 showed that the U.S. farm population decreased from 22,257,000 to 20,396,000 between Apr. 1956 & Apr. 1957. [See pp. 303A1, 125G1] . . . **Christmas Club** savings totaling a record $1,250,000,000 this year were reported Oct. 29 by Christmas Club Corp. [See Vol. XIV, p. 376G2] . . . **Fed. Natl. Mortgage Admin.** reduced Oct. 22 from 92%-94% to 90%-92% of face value of a mortgage the amount it would pay to a private lending firm for new-home GI mortgages backed by the Veterans Admin. The FNMA also revoked its policy of giving a one-year advance commitment to take over a mortgage if desired by a bank or loan company contemplating a loan. The FNMA explained that its action was necessary because it had been paying about 5% interest for funds it borrowed to take over mortgages on which it collected only 4½% interest. [See p. 212D3] . . . **Gen. Services Admin.** resumed Oct. 18 its "lease-purchase" program for construction of Govt. buildings. [See p. 99E1] . . . **Joseph R. Vogel,** pres. of Loew's, Inc., defeated a group led by Jos. Tomlinson in a contest for control of the company's board of directors in a shareowner' election held Oct. 15 in New York. [See p. 33B1] . . . **Gen. Motors** stock (63 million shares valued at $2.5 billion) held by E. I. du Pont de Nemours & Co. would be distributed to du Pont common stockholders (du Pont firms & principals excepted) over a 10-yr. period under a plan proposed by the U.S. Justice Dept. to Fed. Judge Walter J. LaBuy in Chicago Oct. 25. [See p. 182A2]

RICHEST. Jean Paul Getty of Santa Monica, Calif., to be 65 Dec. 15, was listed by "Fortune" magazine Oct. 28 as the richest American with a fortune in American & Arabian oil & real estate estimated at $700 million-$1 billion. He was one of 76 Americans listed by the magazine as having fortunes of $75 million or more. (The "N.Y. Times Magazine" Oct. 20 listed H. L. Hunt of Dallas, Tex. as the richest American, ranking him with King Saud of Saudi Arabia, the Sheik of Kuwait, the Sheik of Qatar & the Nizam of Hyderabad among the world's 5 richest men. "Fortune" rated Hunt's fortune as $400-$700 million.) [See p. 191B1; Vol. XVI, 163E3; XIV, 167F3]

Business & Financial Summary

Week Ended Oct. 26

	This Week	Last Week	Year Ago
FINANCE:			
U.S. Treasury—			
Monetary gold stocks	*$22,665	*$22,658	*$21,909
Currency circulation	*$31,129	*$31,191	*$30,864
Banks—			
Com'l, ind'l & agri'l loans§	**$32,084	*$32,137	*$29,846
N.Y. bank clearings	$10,465,143,881	$10,765,119,429	$10,246,698,781
England note circulation	*£1,966.08	*£1,969.726	*£1,874.121
N. Y. Stock Exchange—			
Stock sales (shares)	20,804,199	13,157,631	7,848,078
Stock avgs. (100 stocks)**	183.73	183.37	203.36
Bond sales (par value)	$33,989,000	$24,148,600	$15,876,500
Bond avgs. (30 bonds)**	84.50	85.16	92.13
INDUSTRY:			
Auto output (cars & trucks)†	125,252	93,244	125,967
Crude oil (bbl. daily)	[b]6,746,750	6,728,700	6,997,350
Soft-coal output (tons)	[c]9,910,000	9,950,000	10,220,000
Electric output (kwh.)	[a]*11,684	*11,709	*11,333
Carloadings (cars)	[b]726,812	741,520	828,741
	Sept.	**Aug.**	**Sept. 1956**
Ind'l output§¶	144	145	144
Steel output (tons)	8,977,906	9,233,890	10,442,659
PRICES:	**This Week**	**Last Week**	**Year Ago**
Wheat (bu.)	$2.52⅞	$2.52½	$2.68
Corn (bu.)	$1.55¼	$1.54⅛	$1.55⅜
Cotton (lb.)	$.354	$.3505	$.344
Steel scrap avg. (ton)	$35.33	$37.33	$56.83
Wholesale food index‡	[d]$6.14	$6.11	$5.97
Weekly whlsl. index (BLS)¶	[d]117.7	117.7	115.0
BUSINESS:			
Dept. store sales§¶	[b]129	132	129
Failures (Oct. 17)‡	258	244	254
	Sept.	**Aug.**	**Sept. 1956**
New incorporations‡	10,526	11,361	9,583

*In millions **N.Y. Herald Tribune †Ward's estimate ‡Dun & Bradstreet ¶1947-49=100 §Fed. Reserve Board [a]Member banks, 94 cities, Oct. 16 [b]Oct. 19 [c]Oct. 12 [d]Oct. 22

OBITUARIES

Edward B. Aldrich, 86, pres. of Times publishing Co., pblshrs. of "Pawtucket (R.I.) Times"; Oct. 24 in Providence.

Count Giovanni Caproni de Taliedo, 71, Italian aviation pioneer, designer of World War I bomber used by Allied forces; Oct. 27 in Rome.

Dr. Gerty Theresa Cori, 61, Prague-born biochemist who shared 1947 Nobel prize with husband Carl (for discovery of "process in the catalytic metabolism of glycogen"), Wash. U. School of Medicine biological chemist; Oct. 27 in St. Louis of myelofibrosis. [See Vol. VII, p. 339P]

Christian Dior, 52, French dress-designer, creator of "New Look" in 1947 (longer skirts, rounded shoulders); Oct. 24 in Montacatini, Italy of heart attack. [See Vol. XIV, p. 263B1]

Lord Dunsany (Edward John Moreton Drax Plunkett), 79, Irish dramatist ("The Gods of the Mountains," "If"), novelist, poet, critic of modern poetry; Oct. 25 in Dublin.

Nikos Kazantzakis, 72, Greek author ("Zorba the Greek," "The Greek Passion," "Freedom & Death"), Education Min. 1945, head Public Welfare Ministry 1919, UNESCO aid 1947-48; **Oct. 26 in Freiburg, Germany.** [See Vol. XVI, p. 147F1]

William P. Lambertson, 77, U.S. Rep. (R., Kans.) 1928-44, FDR foe; Oct. 26 in Fairview, Kansas.

Walter Locke, 82, "Dayton (O.) Daily News" editor 1923-54, author of daily editorial "Trends of the Times"; Oct. 23 in Dayton, Ohio.

Louis B. Mayer, 72, Russian-born pioneer movie producer, MGM vice pres. until 1951 resignation, creator of Hollywood star system, producer of "Ben Hur," "Dinner at Eight," "Grand Hotel" & other "epics," U.S.' highest paid exec. 1937-44; Oct. 29 in Hollywood.

Kenneth Douglas McKellar, 88, U.S. Senator (D., Tenn.) 1917-53, Senate Appropriations Com. chrmn., a founder of TVA; Oct. 25 in Memphis. [See Vol. XII, p. 325F]

Anthony J. Morabito, 47, chief owner & pres. of Natl. League's San Francisco 49ers (pro football team), which he organized in 1946; Oct. 27 in San Francisco of heart attack.

SPORTS

Winners

Auto racing: Jean Behra of France, driving a Maserati, won the Grand Prix of Morocco at Casablanca Oct. 27. Walter Hansgen of Westfield, N.J. & Chas. Wallace of Washn., driving a D Jaguar, won the President's Cup at Danville, Va. Oct. 27. [See p. 296G2] . . . **Basketball:** The U.S. defeated Russia, 51-48, in the women's world championship final in Rio de Janeiro Oct. 26. . . . **Golf:** Billy Maxwell of Odessa, Tex. won the $15,000 Hesperia (Calif.) open Oct. 26, for $2,000. Torakichi Nakamura, 41, & Koichi Ono, 39, of Japan won the 28-nation Canada Cup team matches and Nakamura the individual title in Tokyo Oct. 27. [See p. 327G3] . . . **Horse racing:** Arthur B. Hancock Jr.'s Nadir, Willie Hartack up, won the $277,150 Garden State Stakes Oct. 26 in Camden, N.J., for $157,432.50. J. Graham Brown's Bornastar, Ken Church up, won the $76,050 Spinster Stakes at Keeneland (Lexington, Ky.) Oct. 24, for $44,480. Louis Rowan's Spinney, Juan Sanchez up, won the $60,000 Canadian Championship Stakes in Toronto Oct. 26, for $42,900. Meadow Lands, owned by Hugh Grant & Del Miller and driven by Miller, won the $100,084 Messenger Stake pacing race Oct. 25 at Roosevelt Raceway (Westbury, N.Y.), for $41,034.57. [See p. 343C3]

FOOTBALL SCORES

Natl. League (Pro.) (Oct. 27)

Washn. 31, N.Y. 14; Cleve. 17, Chi. Cards 7; Los Ang. 35, Detrt. 17; San Fran. 21, Chi. Bears 17; Green Bay 24, Balti. 21; Pitt. 6, Phila. 0.

College (Oct. 26)

Amherst 21, Weslyn. 0
Arkansas 12, Miss. 6
Army 20, Virginia 12
Auburn 48, Houston 7
Bos. C. 20, Detrt. 16
Bos. U. 35, H. Cross 28
BYU 25, Denver 6
Brown 21, R.I. 0
Cinci. 7, COP 2
Citadel, 18, Furman 14
Clemson 13, S.C. 0*
Conn. 13, Delaware 9
Dartm. 26, Harvd. 0
Duke 14, N.C. St. 14
Florida 22, LSU 14
Fla. St. 20, VPI 7
Georgia 33, Ky. 14
G. Tech. 20, Tulane 13
Idaho 20, Fresno 6
Indiana 14, Vilnva. 7
Iowa 6, Nwstn. 0
Kan. St. 14, Ia. St. 10
Lafyt. 35, Bucknl. 13
Lehigh 40, Columbia 6
Miami 48, Kansas 6
Michigan 24, Minn. 7
Mich. St. 19, Ill. 14
Miss. St. 25, Ala. 13
Missouri 14, Nebr. 13
Montana 21, N.M. 6
Navy 35, Penn 7
N.C. 14, Wake For. 7
Notre Dame 13, Pitt 7
Ohio St. 16, Wis. 13
Okla. 14, Colo. 13
Oregon 24, Calif. 6
Penn St. 20, Syrac. 12
Princtn. 47, Cornell 14
Purdue 37, Miami(O.) 6
Rutgers 26, Richm. 13
Stanford 20, UCLA 6
Tenn. 16, Maryland 0
Texas 19, Rice 14
Tex. A&M 14, Baylr. 0
Tex. Tech 28, Ariz. 6
TCU 26, Marqt. 7
Tulsa 12, AF Acad. 7
Utah 23, Wyoming 15
Utah St. 27, Colo. St. 14
Wash. 19, Ore. St. 6
Wash. St. 13 USC 12
W. Va. 19, W&M 0
Williams 26, Tufts 26
Yale 20, Colgate 0

*Oct. 25

Charles (Chuck) Dressen quit as director of player development for Washington to become a coach for the Los Angeles Dodgers Oct. 29. The Dodgers reassigned coaches Jake Pitler & Billy Herman as scouts. [See pp. 175C2, 328E1; Vol. XIII, 344D1] . . . **Milwaukee Braves** released coaches John Riddle, Charley Root & Connie Ryan Oct. 26 and named Whitlow Wyatt & John Fitzpatrick to 2 of the vacancies. [See p. 344A1] . . . **Bing Crosby** was revealed Oct. 28 to have acquired a 5½% interest in the Detroit Tigers and proposed selling his 10% interest in the Pittsburgh Pirates to his sons. [See p. 36D1] . . . **"Managers of the Year"** as designated in an AP poll of the Baseball Writers' Assn. of Amer.: Al Lopez of the AL Chicago White Sox (reported Oct. 25) [see p. 320A1; Vol. XVI, 360A3]; Fred Haney of the NL Milwaukee Braves (reported Oct. 23). [See p. 336A2; Vol. XVI, 204F2] . . . **Amer. League** attendance totaled 8,196,218 this year as against 7,893,683 in 1956, AL hq. in Chicago reported Oct. 24. . . . **Strike** of parimutuel clerks that closed Tanforan racetrack in San Bruno, Calif. for 26 days of a scheduled 29-day meeting ended Oct. 23 after a pay increase was granted. . . . **Art Aragon's** conviction on charges of conspiring to throw a fight was reversed by a Calif. Dist. Court of Appeal in Los Angeles Oct. 22. [See p. 103G3]

MISCELLANEOUS

Anastasia Slain. Albert Anastasia, 55, N.Y. gangster & labor racketeer, was killed Oct. 25 by 2 masked gunmen who shot him 5 times from behind as he sat in a barber's chair at the Park Sheraton Hotel in New York. The killers escaped. (Anastasia was believed to have killed 31 Murder, Inc. victims personally and to have directed the murder of 32 others in the 1930s. He was born Umberto Anastasio in Tropea, Italy. He entered the U.S. by jumping ship in 1919 but later made a legal entry. He & 3 of 5 brothers [one became a Roman Catholic priest] became associated with longshore gangs in New York. 5 of his 9 arrests between 1921 & 1954 were on charges of homicide. He was sentenced to be electrocuted in 1921 for the killing of longeshoreman Geo. Turello but won an appeal for a new trial and the case was dismissed, as were all subsequent murfor a new trial, and the case was disder charges against him, after anti-Anastasia witnesses were murdered.) [See Vol. XIV, p. 164A3]

Illiterates total 700 million adults or about 44% of the world population (age 15 & over), UNESCO estimated in a brochure ("World Illiteracy at Mid-Century," $2) published Oct. 12. It showed the illiteracy rate lowest (1%-2%) in western & northern Europe, highest in Afghanistan, Saudi Arabia & Yemen (95%-99%) & India (80%-85%). The illiteracy rate in the U.S. was estimated at 2.5%, in the USSR at 2.5%-5%. [See Vol. XIV, p. 303A2]

Married: Singer-actor Bing Crosby, 53, to actress Kathryn Grant (Olive Kathryn Grandstaff), 23; Oct. 24 in Las Vegas, Nev. (his 2d). [See Vol. XII, p. 355L]

NEW BOOKS

Byron: A Biography. By Leslie Marchand. Portrait of English poet. Oct. 21. (Knopf, 3 vol., 1,264 pp., $20)†

Cage for Lovers. By Dawn Powell. Beautiful young girl travels about Europe as companion to eccentric rich woman. Oct. 15. (Houghton-Mifflin, 178 pp., $3)*

Dreamers of the American Dream. By Stewart H. Holbrook. Lives of American reformers. Oct. 24. (Doubleday, 369 pp., $5.75)†

Not by Bread Alone. By Vladimir Dudintsev. Trans. by Edith Bone. Russian novel in which inventor fights bureaucracy to have a device accepted. Oct. 21. (Dutton, 521 pp., $4.95)*

Room at the Top. By John Braine. Young English slum dweller rises through opportunism, then questions his methods. Oct. 14. (Houghton-Mifflin, 301 pp., $3.75)*

The Secret of Major Thompson. By Pierre Daninos. Fictional British major & French author explore England & America. Oct. 21. (Knopf, 272 pp., $3.50)*

600 Million Chinese. By Robert Guillain. Trans. by Mervyn Savill. French correspondent says much injustice has been corrected by Chinese communism but that the Chinese have become robots. Oct. 18. (Criterion, 310 pp., $5)†

Those Without Shadows. By Françoise Sagan. Trans. by Frances Frenaye. Complex interrelationships among 9 people in café society in Paris. Oct. 28. (Dutton, 125 pp., $2.95)*

Tommorow & Yesterday. By Heinrich Boell. 2 German war widows try to make new life in postwar Germany. Oct. 18. (Criterion, 250 pp., $4.50)*

*Fiction †Non-fiction